

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

TONEY ANAYA

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

May 9, 1984

Dugan Production Corp. P.O. Box 208 Farmington, NM 87499

Attention: John D. Roe

Administrative Order NSL-1819

 $\mathcal{L}^{\mathcal{U}}$

Gentlemen:

Reference is made to your application for a non-standard location for your Muddy Mudda Well No. 1 located 790 feet from the North line and 1040 feet from the West line, N/2 NW/2 of Section 21, Township 24 North, Range 9 West, Bisti Lower Gallup Field, San Juan County, New Mexico.

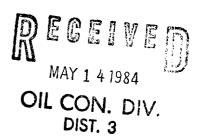
By authority granted me under the provisions of Rule 104 FI of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY, Director

JDR/RLS/dp

cc: VOil Conservation Division - Aztec
Oil & Gas Engineering Committee - Hobbs
Bureau of Land Management - Farmington





STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

BOX 2088	3 T			•
SANTA FE, NEW MEXICO 87501			•	
DATE 5-14-84				
J-14-84				·
RE: Proposed MC Proposed DHC				
Proposed NSL X Proposed SWD				-
Proposed WFX Proposed PMX		•		
•				٠
	·	•		•
Gentlemen:				•
I have examined the applica	ation dated 5-1-84		·	
for the Dugan Product	Con Corp. Muddy Muddo Lease and Well No	#/	0-2	1-24N-9u
/ Operator	Lease and Well No	•	Unit	S-T-R
and my recommendations are	as follows:			
Approve =				
-				
Yours truly,				
• • •				
9 A2 1				



dugan production corp.



OIL CON. DIV

May 1, 1984

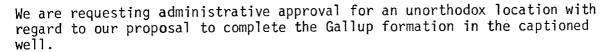
Joe D. Ramey New Mexico Oil Conservation Division P O Box 2088 Santa Fe, NM 87501

RE: Request for Administrative Approval of Unorthodox Location Dugan Production Corp.'s Muddy Mudda No. 1 Bisti Lower Gallup Field

790' FNL - 1040' FWL Sec. 21, T-24N, R-9W, NMPM

San Juan County, NM

Dear Mr. Ramey:



The Muddy Mudda No. 1 was spudded on 4-27-84, as a Dakota test and is currently being drilled. Upon testing the Dakota, we plan to perforate and test the Gallup, which will require an unorthodox location with regard to the Gallup formation. With reference to the attached copy of a topographical map (Fig. No. 1), it can be seen that the surface slope at a standard location for the Gallup would have required a significant amount of dirt work in order to make the drilling location and thus, we moved 50' to the east, which puts us 280' from the quarter-quarter line and necessitates this request. The Dakota is at a standard location.

With reference to Fig. No. 2, we have indicated the leasehold ownership of all acreage adjacent to the 80 acre production unit for the Muddy Mudda No. 1 and as can be seen, all leasehold interest is held by Dugan Production Corp. The Muddy Mudda No. 1 is offset to the north by Dugan Production's Holly No. 1, which is a marginal well completed in the Gallup and Dakota formations. The Harvey No. 1, operated by Dugan Production, is located approximately 1 mile to the west, and is completed in the Dakota formation averaging approximately 50 MCFPD. We have also attached a copy of a general well location map (Fig. No. 3) for your reference. As can be seen, the subject well is on the southeastern edge of the current development in this general area for the Gallup and Dakota.

Also, for your information, we are attaching a copy of our sundry notice on which we have indicated our intentions to complete the Gallup formation.

Joe D. Ramey, NMOCD Muddy Mudda No. 1 Unorthodox Location Page 2 May 1, 1984

In view of the fact that Dugan Production has the leasehold rights on all offsetting acreage, we request your approval of this application as soon as possible, so that we may proceed with completion operations with a minimum amount of waiting time.

Should you have any questions regarding this application, please feel free to contact me.

Sincerely,

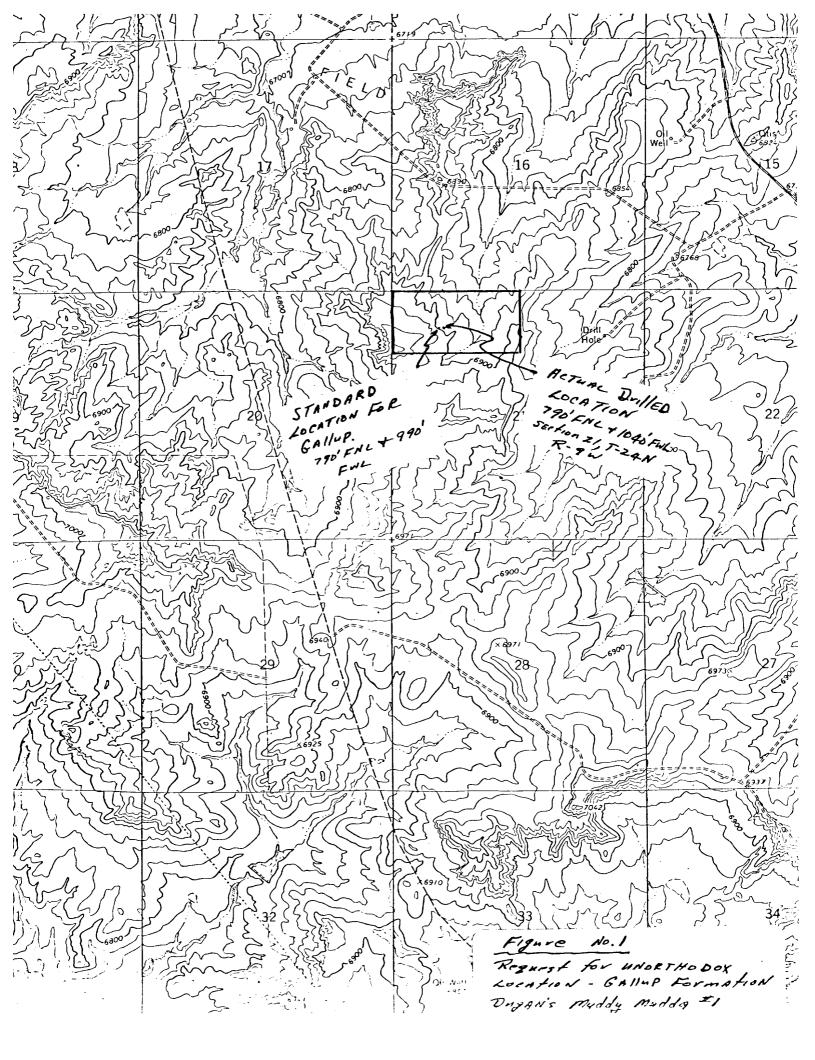
Jahn & Roe

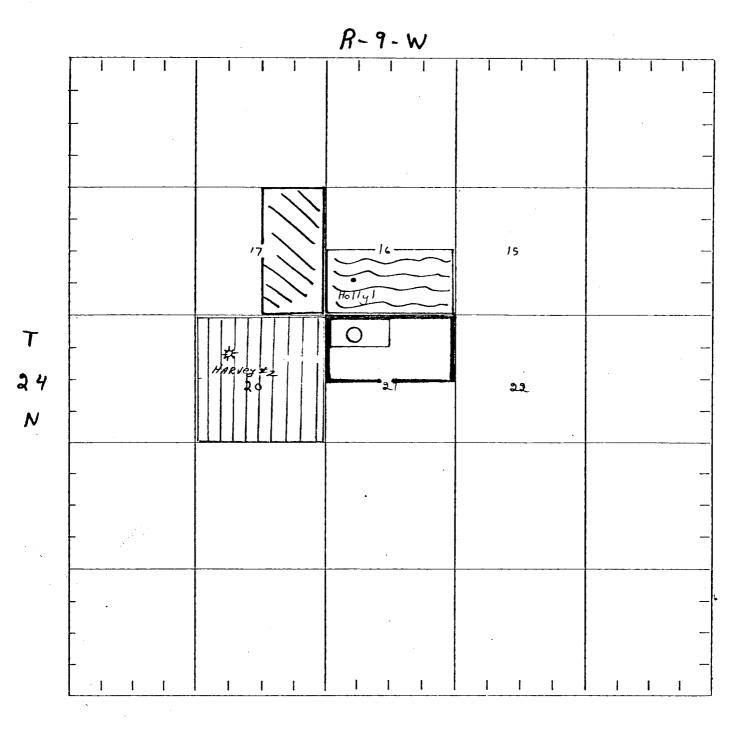
John D. Roe Petroleum Engineer

fp

Attachments

- .-



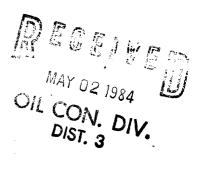


Sec. 16: S/2 Dugan Production Corp.
(New Mexico State Lease E-6644-18, SW/4 SW/4 and New Mexico State Lease LG-1035-3, SE/4 SW/4, SW/4 SE/4)

Sec. 17: E/2 Federal minerals, unleased

Sec. 20: All Dugan Production Corp. (NM 10755)

Sec. 21: N/2 Dugan Production Corp. (NM 36474)



APPLICATION FOR
UNORTHODOX LOCATION
Figure No. 2

DUGAN PRODUCTION CORP.
Muddy Mudda #1
790' FNL - 1040' FWL
Sec. 21, T24N, R9W, NMPM
San Juan County, NM

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

(other) Intention to test additional zone

Form 9–331	5 BLM	l File	Form Approved. Budget Bureau No. 42–R1424					
Dec. 1973	UNITED S EPARTMENT OF		5. LEASE NM 36474					
D	GEOLOGICAL		6. IF INDIAN, ALLOTTEE OR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME				
SUNDRY	NOTICES AND	7. UNIT AGREEMENT NAME	i .					
	m for proposals to drill of 9-331-C for such propos	8. FARM OR LEASE NAME Muddy Mudda						
1. oil Gallu well XX	well XX other	9. WELL NO.						
	RODUCTION CORP	10. FIELD OR WILDCAT NAME Basin Dakota & Bis						
P O Box	f OPERATOR 208, Farmingt DF WELL (REPORT LO	11. SEC., T., R., M., OR BLK. AREA	AND SURVEY OR					
below.)			JCC. EI IE III III	NMPM				
AT SURFAC	E: 790' FNL -	12. COUNTY OR PARISH 13	NM					
AT TOP PR	OD. INTERVAL:		San Juan I I					
		INDICATE NATURE OF NOTE						
REPORT, O	R OTHER DATA		15. ELEVATIONS (SHOW DF	, KDB, AND WD)				
REQUEST FOR TEST WATER S FRACTURE TRE SHOOT OR ACI REPAIR WELL PULL OR ALTE MULTIPLE COM CHANGE ZONE ABANDON*	HUT-OFF	SUBSEQUENT REPORT OF:	(NOTE: Report results of multipl change on Form 9–330.)	le completion or zone				

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Upon testing the Dakota, we also plan to perforate, stimulate and test the Gallup interval. Request for approval of unorthodox location submitted to Should potential be indicated in both zones, we plan to request authorization from NMOCD for downhole commingling.

and Type		Set @			Ft.
Subsurface Safety Valve: Manu. and Type		3 . 5	•		
18. I hereby certify that the foregoing is true and correct			,		
Genlogist -	ATE	5-1-84		-:	
SIGNED / Jim L. Jacobs				<u> </u>	
(This space for Federal or State office use)					
APPROVED BY TITLE TOTALL TOTAL	DATE _	**			

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

Form C-102 Revised 10-1-78

All distances must be from the outer boundaries of the Section.

DUGAN PRODUCTION CORP. DUGAN PRODUCTION CORP. Township Township	Orașalos				L	e036				Well No.
Second Postures Location of World: 24 North 1040 1	DUGAN PRODUCTION CORP.								1	
Type North Inter one 1040 real from the North Inter one 1040 real from the North Inter one 1040 Poils Decisional Accessors	Unit Letter D				orth		9 West	County	San Jua	n
Deadering Formation Pool Bisti Lower Gallup Bol. Acres	Actual Footage Location of Well:									
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? Yes No II enswer is "yes," type of consolidation If answer is "no," list the owners and tract descriptions which have netually been consolidated. (Use reverse side of this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. 790' 1040' O 1040' O 1040' O 1050' Dugan Prod 11 hereby certify that the information contained whether the true and complete to the Fest of my knowledge and belief. 11 hereby certify that the well location shown white plant were platted from field mans of other states of across the state of the complete to the fest of my knowledge and belief. 12 hereby certify that the well location shown white plant were platted from field mans of other states and the state of my knowledge and belief. 13 hereby certify that the well location shown white plant were platted from field mans of other states and states are the states of across the states o							U feet	from the	west	
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plot below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? Yes No If answer is "yes," type of consolidation If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION 1 hereby certify that the infarmation contained herein is two end complete to the Resert of my hereby on better. Of in L. Jacobs Position Geologist Company Dugan Production Corp. Date 5-1-84 1 hereby certify that the well session above an other production of the core is two and exemplete from first and makes of actors arrays made by my first of the town of the core is two and exemplete to the best of my knowledge and ballet. Dote Softward for the two and first of the core is two actors to the best of my knowledge and ballet. Dote Softward for the transfer of the first of the first of the form of the core is two actors to the best of my knowledge and ballet. Dote Softward for first of the first of my house of the core is two actors to the best of my knowledge and ballet. Dote Softward for first of the core is two actors to the least of my knowledge and ballet. Certification. The core of the core is the core is two actors to the core is two actors to the best of my knowledge and ballet.		Pro			[i Lower Ga	allup		80.0 Acres
interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? Yes No If answer is "yes," type of consolidation If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, climinating such interests, has been approved by the Division. CERTIFICATION I hereby certify that the information contained herein is two and complete to the best of my knowledge and beint. Name Jim L. Jacobs Position Geology Dugan Production Corp. Date 5-1-84 I hereby certify that the well location about a fixed part of the contained from field notes of extual surveys made by me at units my approximation, and the town is true and correct to the best of my knowledge and beint. Date Surveys Traited from the location about the contained from the contained from the location about		e acreag			subject well				marks on th	e plat below.
dated by communitization, unitization, force-pooling, etc? Yes No If answer is "yes," type of consolidation If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION 1 hereby certify that the information contained herein is two and complete to the Best of my knowledge and belief. Nomas A. Dugan Production Corp. Date 1 hereby certify that the well location above on this plot was platted from field notes of actual surveys made by me or under my supervision, and the the same is true and connect to the best of my knowledge and belief. Date Surveys A. Dugan Priffs. Thomas A. Dugan Priffs. Centificate No. 2373	interest a	nd royalt	y).	-					-	
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION 1 hereby certify that the information contained herein is true and complete to the Best of my howlessing and belief. Name 1 hereby certify that the well facation shown on this plat was platted from field notes of actual survey made by med or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date 5-1-84 Date Doite Surveyed February 6, 1984 Resistancy Preseaumant Enginess on the best of my knowledge and belief. Thomas A. Dugan PErry. Certificate No. 2373	3. If more the	3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?								
this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION I hereby certify that the information consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION I hereby certify that the information consolidated (by communitization, unitization, forced-pooling, or otherwise) or unitial accomplete to the Best of my Landburgh Poolidate (by communitization, unitization, forced-pooling, or otherwise) or unitization, forced-pooling, or otherwise) or unitization, forced forced for the best of the Best of my Landburgh Poolidate (by communitization, unitization, forced-pooling, or otherwise) or unitization, unitization, forced-pooling, or otherwise) or unitization, unitization, forced-pooling, or otherwise) or unitization, unitization, unitization, forced-pooling, or otherwise) or unitization, unitization, forced-pooling, or otherwise) or unitization, forced-pooling, or otherwise) or unitization, unitization, forced-pooling, or otherwise) or unitization, unitization, forced-pooling, or otherwise) or unitization, forced fo								 		
1 hereby certify that the information contained herein is true and complete to the Best of my knowledge and belief. 1 M 36474 100% Dugan Prod. 1 Name 1 Mane 2 Mim L Jacobs Position Geologist Compmy Dugan Production Corp. Date 5-1-84 1 hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed February 6, 1984 Registers Predessimal Engineers and Manual A Dugan PF/K Centificate No. 2373	this form i	f necess	ary.) ne assigne	d to the w	ell until all in	nterests	have been c	onsolida	ted (by com	munitization, unitization,
1040' — O M 36474 100% Dugan Prod. M 36474 100% Dugan Prod. M 1										CERTIFICATION
Dugan Prod. Name	——1040' —(90'] 1 1 1			tained he	rein is true and complete to the very knowledge and belief.
Position Geologist Company Dugan Production Corp. Date 5-1-84 I hereby certify that the well location shown an this plat was platted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed February 6, 1984 Registery Prolessional Engineer agrey Card Surveyor Manual H. Duyan Thomas A. Dugan PF/M Certificate No. 2373		Prod.	· <u></u>						V Z	-0
shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed February 6, 1984 Registers Professional Engineer are or Land Surveyor Thomas A. Dugan PF/KA Certificate No. 2373		1 1 1				 			Position Geologi Company Dugan P	st
February 6, 1984 Registers: Prolessional Engineer and or land Surveyor Thomas A. Dugan PF/YS Certificate No. 2373		.				1			shown on notes of under my is true o	this plot was plotted from field actual surveys made by me or supervision, and that the same and correct to the best of my
2373		+				,			Februar Registers and or far Thomas	Professional Engineer d Surveyor A. Dugan PE//S
200 1500 1000 1000	-				40 2000	1500	_ ' '	•	Certificate	17



dugan production corp.



May 4, 1984



Joe D. Ramey New Mexico Oil Conservation Division P O Box 2088 Santa Fe, NM 87501

RE: Dugan Production's May 1, 1984, Letter
Requesting Administrative Approval of Unorthodox Location
Dugan Production Corp.'s Muddy Mudda No. 1
Bisti Lower Gallup Field
790' FNL - 1040' FWL
Sec. 21, T-24N, R-9W, NMPM
San Juan County, NM

Dear Mr. Ramey:

With regards to our letter of May 1, 1984, it has come to my attention that our Figure No. 2 incorrectly indicated the E/2 of Sec. 17 to be unleased federal acreage; however, this in fact is Dugan Production's lease, NM 45208. We had indicated this lease as belonging to Dugan Production in the text of our letter; however, had inadvertently not reflected this on Figure No. 2.

We apologize for this inaccuracy in our original letter. Should you have any questions regarding our application, please do not hesitate to call.

Sincerely,

Jahn D. Roe

John D. Roe Petroleum Engineer

JDR:fp

cc: Frank Chavez

